

CRABANAC, Terence S.

2 MATERIAL REVIEWED AT CIA HEADQUARTERS BY
HOUSE SELECT COMMITTEE ON ASSASSINATIONS STAFF MEMBERS

SECRET

FILE TITLE/NUMBER/VOLUME: HUNT, E. HOWARD (CONTRACT)

INCLUSIVE DATES: 6 January 1965 - 3 Dec 1970
CUSTODIAL UNIT/LOCATION: O/P

DELETIONS, IF ANY:

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SECRET

Contract Service - Terence S. Graham (P) GS

Date	Action	Conversion
4 July 65	Former Staff Employee Hired as a Contract Employee with Civil Service Retirement, LPIs and PSLs.	8 19,580 GS-15/7
10 Oct 65	LPI	20,595 GS-15/7
3 July 66	LPI	21,192 GS-15/7
17 Sept 66	Contract Terminated	21,192 GS-15/7

Converted to Staff Employee Status

SECRET

3 Dec 1970

MEMORANDUM FOR: Office of Finance

THROUGH

: Chief, Contract Personnel Division

SUBJECT

: Engagement of E. Howard Hunt as Independent Contractor Under Memorandum of Oral Contract

1. Effective 2 November 1970, subject was retained under oral contract to write a citation concerning an employee of CIA for a fee of \$250.00. The completed citation was delivered to and accepted by CIA on 23 November 1970.
2. Subject is a former CIA Staff Employee who retired effective 30 April 1970.
3. Subject is to be paid his fee of \$250.00 under Fin Account Number 1176-0041. At Mr. Hunt's request, payment is to be made in the form of two sterile checks, one in the amount of \$200.00 payable to the Public Service Aid Society, and the second in the amount of \$50.00 payable to the Educational Aid Fund. Please forward both checks to Mr. Ben DeFelice, SE-67 Headquarters.
4. No other commitments have been made to subject.

[Signature]
Approving Officer
Office of Personnel

APPROVED:

/s/ Ben H. DeFelice

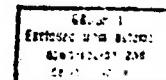
3 Dec 1970

Chief, Contract Personnel Division

Date

The

SECRET



1 June 1967

MEMORANDUM FOR THE RECORD

SUBJECT: ██████████ Lawrence S. CRABANAC

████████ on instructions of the Deputy Director for Plans, and with approvals from the DCI and the DDCI, was converted to contract employment and assigned to Spain for a special undertaking in behalf of the DD/P. He left for Spain in July 1965 and returned to the U. S. in June 1966 having completed his assignment successfully. If an evaluative comment is needed to cover his work during this period of time he should be rated as "strong".

Thomas H. Karamessines
Assistant Deputy Director for Plans

Orig & 1 - Director of Personnel
via C/EUR
1 - ADD/P

SECRET

3 October 1966

MEMORANDUM FOR : Chief, TRB

SUBJECT : Verification of Contract Service for
██████████ C.R. BROWN INC.
██████████ T-1000-12

1. The following is a record of subject's contract service with the Agency:

<u>Date</u>	<u>Action</u>	<u>Compensation</u>
4 July 1965	Contract Employee	\$19,880 per annum
10 October 1965	Salary Increase	\$20,595 per annum
3 July 1966	Salary Increase	\$21,192 per annum
17 September 1966	Contract Terminated	\$21,192 per annum

2. All of above service is creditable for both leave and Civil Service Retirement purposes.

Dow H. Luetscher,
Chief, Contract Personnel Division

Distribution:
Orig & 1 - Addressee
2 - CPD

SECRET

26 SEP 1966

MEMORANDUM FOR: Chief, Contract Personnel Division

ATTENTION : Paul R. Wilson

SUBJECT : Verification of Contract Service

~~██████████~~ C.R.H.E.A.N.A.C., France S.

In order to establish the salary, LCD and to compute the SCD for both leave and retirement purposes, it is necessary to verify the contract service and salary of ~~██████████~~, DOB 9 October 1918, who claims employment with this Agency in a contract status from 4 July 1965 to 17 September 1966.

Dowell P. Moore
Dowell P. Moore
Deputy Chief, Transactions & Records Branch

SECRET

GP-D-9-1
EXCLUDED FROM THE DIA'S AUTOMATIC
DECLASSIFICATION
SCHEDULE

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This is to advise that effective 17 September 1966 I will resign from employment with the United States Government as provided in the contractual agreement effective 4 July 1965. It is understood that my status as a Staff Employee will be effective 18 September 1966, the day following my resignation as a Contract Employee.

Terence S. CRABANAC

APPROVED:

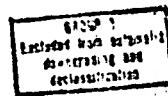
b1
European Contract Approving Officer

Date

APPROVED:

/s/ Dow H. Luetscher
Special Contracting Officer

REVIEWED:
/s/ Dow H. Luetscher.



SECRET

14 July 1966

MEMORANDUM FOR THE RECORD

SUBJECT: Terence S. CRABANAC (P)

The ADDP requested the writer to personally bring CRABANAC's file to him for review this date. I was informed by Mr. Karamessines that Subject has now returned to headquarters for reassignment and will not be returning to Madrid, as his duties have been fulfilled there.

When the DDP decides CRABANAC's next assignment, ADDP will inform us of such and action desired. CRABANAC's travel accounting was given to C/E/B&F for preparation and processing of the voucher for Subject's return travel.

Charles J. Francis
Charles J. Francis
AC/E/SS

CFrancis/cls: 14 Jul 66

SECRET



14-00000

8 NOV 1965

MEMORANDUM FOR: Deputy Director for Support

SUBJECT: Request for Exception to Provision of
FR 45-10b — Terence S. CRABANAC (P)

1. This memorandum contains a recommendation in paragraph 4 for the approval of the Deputy Director for Support.
2. Terence S. CRABANAC (P) is a Contract Employee assigned to the Madrid area in Spain in a sensitive assignment since his conversion from a Staff Employee on 4 July 1965. CRABANAC was a GS-15, step 7 (\$19,880.00 per annum) and he is being paid at the same rate in his present contract status. His contract provides that he will be entitled to a living quarters allowance in conformance with regulations of this organization applicable to its appointed personnel.
3. The basic living quarters allowance for Class II officers in Madrid is \$2,900 per annum. The house which CRABANAC has located, with a one year lease from 15 November 1965 to 14 November 1966, has an annual rent of \$6,600.00 excluding utilities. Therefore, for rent alone, he will be \$1,960.00 per year over the 160 percent maximum allowed under the provisions of FR 45-10b. On a 75/25 percent sharing basis of the 60 percent over the quarters allowance, he would be out of pocket \$2,395.00.
4. Due to the operational sensitivity of CRABANAC's assignment, his request for relief on his housing costs was handled by Mr. Thomas Karameessines, ADDP. On 15 September 1965, Mr. Karameessines, ADDP, approved his being reimbursed on a 75/25 percent basis for the excess allowable costs up to, but not to exceed, 60 percent above his quarters allowance. This authorization was included in a letter to CRABANAC from Mr. Karameessines. It is requested that the Deputy Director

for Support authorize the 75/25 percent sharing of the excess
allowable costs up to 60 percent above his quarters allowance.

151

Edward Ryan
Acting Chief
Western Europe Division

Recommendation in paragraph 4
is authorized:

Charles H. Davis

9 NOV 1965

Deputy Director for Support

Date

DDP/WE/SS:DavisB.Powell/aj/6189 (8Nov65)

Distribution:

Orig. - C/WE
2 - SSA-DD/S
1 - C7/WE/SS
1 - WE/LO
1 - WE/PT
1 - WE/BF
1 - WE/S

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Chief, Western Europe Division

18 October 1965

ATT : Support Staff

Compensation and Tax Division
Office of Finance

Duty Status Reports-ference S. CRABANAC, Employee
Number 179080

Reference : PEB 20-1000-1, paragraph 5.

1. To date there is no record of receipt of Forms 764,
Duty Status Reports, for Terence S. CRABANAC since his ROD
4 July 1965. These reports are required in order to maintain
his leave account in accordance with the terms of paragraph
6(c) of his contract and to preclude action to withhold pay in
accordance with requirements of the referenced handbook.

2. It is requested that this office be advised as to
the reason for the delay in the submission of these Duty Status
Reports.

LUCILE P. TWOGOOD

Chief,

Contract Employees Accounts Section
Agent Payroll Branch

TO: Compensation and Tax Division

OFFICE OF FINANCE

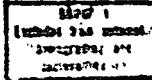
ATTENTION: Lucile P. Twogood

FROM: Chief of Support, WE Division

Per conversation with Mr. Thomas Kerasiessines, ADDP,
there will be no Duty Status Reports (Form 764) submitted
on Terence S. CRABANAC. This should be used as the authority
to continue his pay without these reports.

Davis B. Powell
Chief of Support
WE Division

SECRET



14 00000
October 18, 1965

Dear Howard,

Your insurance representative has passed along some information concerning reimbursement to you by means of deposits to your bank account. So that you will understand the reason and the source of deposits which show up on your bank statement, here is the run-down for the present:

<u>Amount of Deposit</u>	<u>Approx Date of Deposit</u>	<u>Reason for Payment</u>
\$ 5.00	Sep 9	Settlement of claim for son Howard (settlement sheet enclosed)
\$216.06	Oct 7	Settlement of following claims: You.....\$ 47.68 Lisa..... 112.88 Kevan..... 24.50 Howard..... 31.00 \$ 216.06 (Four settlement sheets are enclosed.)
\$505.75	Oct 7	Settlement of following claims: Lisa.....\$ 112.49 Kevan..... 63.75 Kevan..... 189.74 Lisa..... 132.77 \$ 505.75 (Four settlement sheets are enclosed.)
\$ 60.00	To be made Nov 4	Refund of advance premium payments made on your life insurance policy which you cancelled.

I am also forwarding herewith some bills and receipts which your insurance representative has returned with appropriate notations on each. I believe you will want to retain these for possible future use.

Sincerely,

John

14 00000
SECRET

4 October 1965

MEMORANDUM FOR: Chief, Contract Personnel Division,
Office of Personnel

SUBJECT : Terence S. CRABANAC (P), Contract Employee
Request for Contract Amendment

1. It is requested that Subject's contract, which was effective 4 July 1965, be amended with respect to living quarters allowances so as to authorize reimbursement for 75% of the excess allowable costs up to, but not in excess of, 60% of the standardized quarters allowance.

2. The proposal for this 75%/25% sharing basis, in lieu of the standard 50%/50% basis, has been reviewed and approved by Mr. Thomas H. Karamessines.

Davis B. Powell
Davis B. Powell
Chief, WE Support Staff

SECRET

SECRET

15 September 1965

MEMORANDUM FOR: Mr. Thomas H. Karamessines
SUBJECT : Madrid Housing

1. The following is a listing of the GS-13 and above staff employees and their quarters costs as of April 1965:

<u>Grade & No. of Dependents</u>	<u>Allowance</u>	<u>Cost</u>	<u>Cost to Individual</u>
(COS) GS-16 (3)	\$2,900	\$4,236	All cost paid
GS-15 (1)	2,900	3,132	\$116
GS-15 (0)	2,000	1,800	0
GS-14 (5)	2,900	2,796	0
GS-14 (5)	2,900	3,840	450
GS-13 (3)	2,000	2,280	140
GS-13 (3)	2,000	2,472	236
GS-13 (5)	2,000	2,544	272

2. Mr. Hunt's quarters allowance is \$2,900. Using the same formula as applied to the other staff employees at the Station, the following would be the figures:

$$\$2,900 + 60\% (\$1,740) = \$4,640$$

On a 50/50 percent sharing basis of the 60 percent, he would be out-of-pocket \$870 if his costs were \$4,640.

On a 75/25 percent sharing basis of the 60 percent, he would be out-of-pocket \$435, if his costs were \$4,640.

3. I would recommend he be authorized the 75/25 percent sharing basis of the allowable excess costs up to, but not to exceed, 60 percent above his quarters allowance.

Davis B. Powell
 Davis B. Powell
 Chief
 WE Support

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3 September 1965

MEMORANDUM FOR: Chief, Contract Personnel Division
SUBJECT : General - Terrence S. CRABANAC - Supplement
Specific - Paragraph Entitled "Offset"
REFERENCE : A. OGC Opinion 65-2476a, dated 12 August 1965
B. Our Memo, dated 8 July 1965, Same Subject

1. This office herein recommends an amendment to CRABANAC's Supplement dated 4 July 1965, to delete paragraph 7, entitled "Offset."

2. This office acknowledges the OGC opinion, Reference A, which determined CRABANAC may retain without Agency salary offset any future royalties earned as a result of his literary efforts based on the fact cover does not include role of a writer.

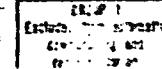
3. As Subject's cover "activities" have been officially clarified as being only a light one of a retired Foreign Service Officer for which the Agency will be making all entitlement payments and actually he will receive no funds from any cover, this paragraph, which is misleading, has no meaning in Subject's contract and it is hereby recommended that it be deleted from CRABANAC's Supplement.

4. Further, in future cases when a cover is so light that Subject will not be receiving funds from cover it is recommended that no "Offset" paragraph be included in Supplements or Contracts.

WILLIAM R. CAULFIELD
Chief, Covert Claims Branch

Attachment
Ref. A and B

per action taken on
this letter.

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OGC 65-2476a

12 AUG 1965

MEMORANDUM FOR: Chief, Contract Personnel Division

SUBJECT: Terence S. CRABANAC - Retention of
Royalties by a Contract Employee

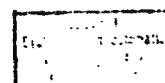
1. You have requested the opinion of this Office in regard to the retention of future royalties which might be earned by Terence S. CRABANAC as a result of his literary efforts. We believe that he is entitled to retain such royalties without an offset against his Agency salary.

2. We have been advised by Mr. Gene Stevens, WE/Support, that CRABANAC's cover does not include the role of a writer; CRABANAC's cover for status will only be a light one of a retired Foreign Service Officer. Therefore, paragraph 7 of his contract dated 4 July 1965 may remain as written. Royalties from the fictional works that he writes as a profitable hobby will not be emoluments received from or through his "cover activities."

Norman D. Block
NORMAN D. BLOCK
Office of General Counsel

cc: Chief, Covert Claims Branch
Mr. Gene Stevens, WE/Support

SECRET



14 00000
3 AUG 1965

MEMORANDUM FOR : Office of General Counsel
ATTENTION : Norman Block
SUBJECT : Terence S. Crabanac --
Retention of Royalties by
a Contract Employee

1. Reference is made to the telephone conversation of 26 July 1965 between yourself and Rogers C. Brooks of this Office wherein background information relating to the assignment of Terence S. Crabanac was discussed.
2. Subject will apparently develop a cover as a writer, a field wherein he has an already demonstrated talent based upon several publications. The objective of the cover is to provide a basis of attribution for some of his income. At the time of the preparation of Mr. Crabanac's contract, the specific detail of his cover was unknown.
3. Request your opinion in regard to the retention of possible royalties earned by Crabanac as a result of his literary efforts or whether such income should be properly offset.

Joseph B. Ragan
Chief, Contract Personnel Division

Attachments.

OP/CPD: RCBrooks/cw: 2 August 1965

Distribution:

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2 -- CPD

SENDER WILL CHECK CLASSIFICATION TOP AND BOTTOM			
UNCLASSIFIED	CONFIDENTIAL	SECRET	
CENTRAL INTELLIGENCE AGENCY OFFICIAL ROUTING SLIP			
TO	NAME AND ADDRESS	DATE	INITIALS
1	CIA/CIS/agent	15 JUN	cr
2			
3	WFO/PT - Stineau		
4	Re Savings M. Colman		
5	concerning D.O. 150x		
6		ref. C1885 9775	
ACTION	DIRECT REPLY	PREPARE REPLY 9775	
APPROVAL	DISPATCH	RECOMMENDATION	
COMMENT	FILE	RETURN	
CONCURRENCE	INFORMATION	SIGNATURE	
Remarks: Assume you wish to add this to your file. As previously stated, there is no reason for him to have a transportation allowance. If you are in touch with Colman, pls have him see me. I want him to visit a post office box - over			
FOLD HERE TO RETURN TO SENDER			
FROM: NAME, ADDRESS AND PHONE NO.		DATE	
CIA/CIS/15		14 JUN	
UNCLASSIFIED	CONFIDENTIAL	SECRET	(40)

FORM NO. 237. Use previous editions
2-61

P. U. S. GOVERNMENT PRINTING OFFICE 1661 O-567261

from Security to which he
can mail his financial
accounts. This will reduce
contact with station.

Walter J. Schaefer
CRABANAC**SECRET**

8 July 1965

PLI HCU 1 BRIEFING REPORT

DATE : 7 July 1965 **STATUS:** Contract Employee
SUBJECT : Terence CRABANAC **COVER :** Non-Official - Writer
DESCRIPTION: Madrid Spain
DEPENDENTS: Wife and four children
 14, 12, 11, and 21 mos.

Subject was advised that this briefing was being held to review with him the official financial business and personal aspects created as a result of his assignment. He was told that a report of the briefing would be prepared and that a copy would be forwarded to the KUBRK office responsible for his administration.

Subject is proceeding abroad as a retired CID officer who is now pursuing a career as a writer.

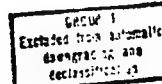
Subject had read his Contract. The persons present at the briefing were Subject and wife, Division Budget and Fiscal Officer, payroll representative, and the undersigned Certifying Officer.

The payroll representative briefed Subject regarding his compensation, Headquarters payrolled allowances, tax withholding and deductions. Proposed Foreign Duty Data Sheet was used and an official copy will be sent to the office administering Subject upon receipt of a notification Subject has arrived in place. The Tax Committee representative had briefed Subject as to the procedure by which he will fulfill his Federal tax reporting requirements - see below section III entitled "Taxes." All questions raised by Subject during the briefing were answered to his apparent satisfaction. There were two points which were to reviewed further by WE, they were:

Previously did not need PA

- a. Review of Supplement relative to quarters allowance being payrolled and non-accountable.
- b. Determination of authorization and amount of a Transportation allowance.

Plans call for Subject to establish through Monetary Division an operational bank account. This fund will serve his operational needs while in Madrid as he is to have no (or limited) contact with the Attn. Highpoints of the briefing are discussed below:

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~~SECRET~~I. Funding and AccountingA. Headquarters

- (1) Will payroll Subject's compensation (and allowances) authorized deductions. (Specify allowances as applicable)
- (2) Will advance POG travel funds and audit accounting which is to be submitted by Subject when accounting complete.
- (3) Will advance funds and receive accountings to operational fund. His first accounting will be upon moving into permanent quarters, and initially quarterly thereafter, unless activity warrants more frequent accounting period.

B. Station

Will provide only emergency support as needed.

C. Cover

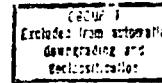
- (1) Subject has no legitimate cover from which through agreement with KUBAK he would receive payments.
- (2) Paragraph 7 entitled OFFSHORE is in question with contracting office as to what is intended as Subject's only income from cover activities appear to be income from his writings. Subject is under impression income from writings not to be refundable.

II. Terms of Contract and Additional Items

some future time receive cover income from other source, it would be offset.

- (11) Allowances - Subject was informed that allowances were subject to fluctuation as a result of Standardized or KUBAK regulations changes.
- (11a.) Subject was advised to notify Headquarters of changes in his family status as such changes would effect allowances being paid by where rates are determined by Subject's family status.
- (12) Receipts Subject was advised that a receipt is required where practicable or a certification in lieu of receipt should be submitted for all reimbursable expenses in the amount of \$15.00 or more.
- (20) Travel Subject was briefed in general regarding reimbursable incidental expenses and travel entitlements in regard to his proposed itinerary. Among the points covered were the following:

- A. Per Diem rates applicable to Subject's proposed itinerary
- B. Excess baggage provisions when economy/tourist flights are used

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C. Use of less than first class air travel accommodations

D. Use of American airlines

(30) Effects Shipment

Subject was briefed in general regarding his KUBARK authorizations as follows:

- A. The combined shipping and storage of household effects is limited to 13,500 pounds net for Subject.
- B. Full shipment is authorized.
- C. Subject was advised the total of the amount of the effects stored and shipped shall not exceed the limitations for shipment and storage set forth as 13,500 pounds net.

(31) Uncompromised Baggage

300 pounds net per traveller which may be used as follows:
When entire journey is by surface transportation the 300 pound authorization is to be shipped by surface transportation, or can be included with household effects shipment.

(33) FOREIGN CUSTOM DUTIES

As Subject is under non-official cover he may be required to pay foreign import duty so this regulatory authorization was discussed.

(43) Transportation Allowance

Subject will be taking his personal car and reported he will be authorized a Transportation Allowance not yet determined by Division. The Allowance is to be paid monthly by Headquarters.

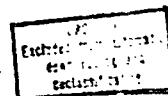
(51) Temporary Lodging Allowance

Subject was advised he would be entitled to this allowance and he was briefed as to its provisions as outlined in the Standardized Regulations.

(53) Permanent Personal Quarters

Subject was advised that his quarters would be administered in accordance with FAR 41-100, and then the provisions of this regulation were explained to him. However, Division B&F Officer intends to review this point for possible contract amendment in providing a quarters allowance at maximum Standardized rate and to be non-accountable.

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SECRET(60) Leave

(61a) Subject was informed of his leave balances as of 3 July 1965:
 A/L 374 hours and S/L 533 hours.

(63) Leave Benefits

Subject was informed of accruals, use, and carry-over for annual (360 hours) and sick leave while overseas. Also, he was informed Headquarters forwards leave balances to the field annually.

(71) Insurance

Subject was informed that costs incurred for insurance protection of baggage, effects, or and their shipment are considered personal and are not reimbursable by KUB/RK.

(74) Education and Educational Travel Allowances

These regulatory provisions were discussed as the ages of Subject's children indicate his eligibility. All official employees are required to send children to U. S. Military school. Subject's allowances will be equal to that authorized for other US non-official personnel in area.

(81) Operational Expenses

Subject was briefed in general terms regarding advances, control, safekeeping, accounting, receipts, and other supporting authoritative documentation.

(82) Operational Entertainment

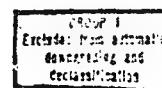
A thorough briefing was given Subject regarding this topic in accordance with current regulations.

(84) Other Operational Considerations

An operational back account is being opened through the Monetary Division to house an operational advance - amount yet undetermined. Subject was advised not to commingle personal funds with operational funds. Subject will submit his first accounting upon occupying permanent quarters and initially quarterly thereafter. From this account TLA and Educational allowance payments will be made and reported.

III. Taxes

Subject was advised he should file overtly only. Subject's W-2 is to be forwarded by pouch and his tax return is to be returned by pouch for mailing to U. S.

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IV. Banking Arrangements

A. Subject has provided Headquarters with his bank account for use as his
stateside allottee.

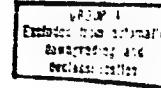
B. An operational bank account is to be established.

WILLIAM H. CAULFIELD
Chief, Covert Claims Branch

Distribution:

Orig. and 1 - CCB
1 - CAL
1 - Registry
1 - Payroll
1 - HE/Division

SECRET



SECRET

8 July 1965

MEMORANDUM FOR: Contract Personnel Division, O/P

SUBJECT : general - Terence S. CRABANAC - Supplement
specific - Paragraph Entitled "OFFSET"

1. This office has a question as to the intent of including paragraph (7.) entitled "OFFSET" as appears in the Contract for Terence S. CRABANAC. The paragraph in question reads as follows:

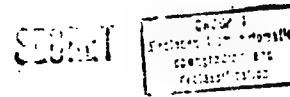
7. OFFSET

Emoluments (including benefits in kind) received from or through your cover activities are the property of the U.S. Government. Procedurally, such emoluments will be offset against amounts due you under this agreement and are acknowledged to be payment by the Government hereunder and for Federal income tax purposes. If cover emoluments exceed those due you under this contract, you will dispose of the excess amount in conformance with Governmental instructions.

2. Subject reportedly is proceeding abroad under the cover of a retired Foreign Service Officer and in pursuit of his ambitions as a writer. Subject will receive all his contractual benefits through the Agency, there is no cover company, so therefore the only apparent emoluments to be received from or through his cover activities would be earnings received from articles, stories, or books written by him. Please inform this office if its interpretation is correct. If not, we would appreciate your interpretation and reasoning relative to the statement "Emoluments received from or through your cover activities are the property of the U.S. Government."

WILLIAM R. CAULFIELD
Chief, Covert Claims Branch

REF ID: A64482



Mr. Terence S. Crabanac

Dear Mr. Crabanac:

The United States Government, as represented by the Contracting Officer, hereby contracts with you as a Contract Employee for the use of your services and the performance of duties of a confidential nature under the following terms and conditions:

1. Compensation. In full consideration for the use of your services and the performance of specified confidential duties you will be compensated in an amount calculated at the rate of \$19,880 per annum. In addition, you are herein authorized legislative salary adjustments, within-grade promotions and, if applicable, a post differential in substantial conformance with rules and regulations applicable to Government appointed employees. Payments will be made as requested by you in writing in an approved manner. Taxes will be withheld therefrom and submitted by this organization.

2. Allowances. You will be entitled to: (a) Living quarters allowances in conformance with regulations of this organization applicable to its appointed personnel. In the event you are furnished quarters by the Government you will not be entitled to the living quarters allowances herein indicated.

(b) Cost-of-living allowances in conformance with applicable regulations of this organization including, but not limited to, a post allowance, a transfer allowance and a home service transfer allowance.

3. Travel. You will be advanced or reimbursed funds for travel and transportation expenses for you, your dependents, your household effects and your personal automobile to and from your permanent post of assignment, and for you alone for authorized operational travel. In addition, you will be entitled to storage of such household and personal effects as are not shipped, in conformance with applicable Government regulations. You may be entitled to per diem in lieu of subsistence in the course of all travel performed hereunder and, when authorized, for you alone while on temporary duty away from your permanent post of assignment. All travel, transportation and per diem provided for under this paragraph must be properly authorized, and expenses incurred hereunder are subject to payment and accounting in compliance with applicable Government regulations.

4. Operational Expenses. You will be advanced or reimbursed funds for necessary operational expenses including, but not limited to, entertainment and the purchase of information, as specifically approved by the Government. Such funds will be subject to payment and accounting in compliance with applicable Government regulations.

5. Repayment. It is recognized that your failure to account for or refund any monies advanced you hereunder shall entitle the Government to withhold the total amount of such indebtedness or any portion thereof from any monies due you under the terms of this contract in such manner as it deems appropriate.

6. Benefits. (a) You will be entitled to death and disability benefits equal to those authorized under the Federal Employees' Compensation Act, as amended. Claims by you, your heirs, or legal representatives under this paragraph will be processed by this organization in accordance with its procedures in such manner as not to impair security.

(b) You will be entitled to the continuance of pay and allowances in a manner similar to that set forth in the Missing Persons Act (50 U.S.C.A., App. 1001-1015).

(c) You will be entitled to sick, annual and home leave (including travel expenses incident thereto) equal to and subject to the same rules and regulations applicable to Government appointed employees. Annual leave may only be taken at times and places approved in advance by appropriate Government representatives. All accrued but unused leave credited to your former account as an appointed employee of this organization will be transferred to the leave account established for you hereunder.

(d) As a Government employee under contract converted from staff status without a break in service, it is required that you continue to make contributions to the Civil Service Retirement Fund. Such contributions (presently six and one-half per cent (6-1/2%)) will be deducted by the Government from the basic compensation due you hereunder, i.e., presently \$19,880 per annum.

(e) You are herein authorized to apply for enrollment in a health insurance program for certain selected Contract Employees of this organization, subject to all the terms and conditions of that program. If accepted, this organization is presently authorized to bear a portion of the premium cost, you will bear the remainder. Your financial contribution will be effected either by payroll deduction or by direct remittance at periodic intervals to be established by this organization.

(f) (1) This organization is authorized to pay the cost of necessary hospitalization and related travel expenses for illness or injury incurred by a United States citizen full-time Contract Employee in the line of duty while abroad.

(2) This organization may pay certain necessary costs of hospitalization and related travel expenses for illness or injury incurred by the dependents of a United States citizen full-time Contract Employee permanently assigned abroad, while they are located abroad.

It is understood and agreed that the eligibility and extent of the participation by you and your dependents in the above medical programs will be in conformance with the rules, regulations and policies of this organization in effect at the time an illness or injury is incurred, that all claims will be submitted only to this organization and that adjudication of such claims by this organization shall be final and conclusive.

7. Offset. Emoluments (including benefits in kind) received from or through your cover activities are the property of the U. S. Government. Procedurally, such emoluments will be offset against amounts due you under this agreement and are acknowledged to be payment by the Government hereunder and for Federal income tax purposes. If cover emoluments exceed those due you under this contract, you will dispose of the excess amount in conformance with Governmental instructions.

8. Execution of Documents. If, in the performance of services under this contract, you assume the custody of Government funds or take title of record to property of any nature whatsoever and wherever situate, which property has in fact been purchased with monies of the U. S. Government, you hereby recognize and acknowledge the existence of a trust relationship, either express or constructive, and you agree to execute whatever documents may be required by the Government to evidence this relationship.

9. Secrecy. You will be required to keep forever secret this contract and all information which you may obtain by reason hereof (unless released in writing by the Government from such obligation), with full knowledge that violation of such secrecy may subject you to criminal prosecution under the Espionage Laws, dated 25 June 1948, as amended, and other applicable laws and regulations.

10. Instructions. Instructions received by you from the Government in briefing, training or otherwise are a part of this contract and are incorporated herein, provided that such instructions are not inconsistent with the terms hereof.

11. Unauthorized Commitments. No promises or commitments pertaining to rights, privileges or benefits other than those expressly stipulated in writing in this agreement or any amendment thereto shall be binding on the Government.

12. Term. This contract is effective as of 4 July 1965, and shall continue thereafter for a period of two (2) years unless sooner terminated:

- (a) Upon sixty (60) days' actual notice by either party hereto, or
- (b) Upon actual notice to you in the event the results of an initially required medical examination are determined by this organization to be unsatisfactory, or
- (c) Without prior notice by the Government, in the event of a breach of this contract by your violation of the security provisions hereof or by your otherwise rendering yourself unavailable for acceptable service.

Subject to the availability of appropriations, this agreement may be extended upon notice from the Government. In the event of voluntary termination on your part or termination for cause by the Government prior to the expiration of this agreement or any renewal thereof, you will not be entitled to return travel expenses to the United States. Termination of this agreement will not release you from the obligations of any security oath you may be required to take.

UNITED STATES GOVERNMENT

BY DHL
Contracting Officer

ACCEPTED:

151

WITNESS:

151

APPROVED:

151

SECRET

**CONTRACT INFORMATION AND CHECK LIST
(CONTINUED)**

NOTE: SEE INSTRUCTIONS ON FIRST SHEET.

 LAST OFFICER
Gene Stevens
TELEPHONE EXTENSION

 VISITOR
RE/PT
DATE

7157

26 June 1965

SECTION VIII**OTHER BENEFITS**

48. BENEFITS (See NR 20-46; NR 20-47, NR 20-7, NR 20-33, and NR 20-620-1, NR 20-1000-1 and/or successor regulations for benefits applicable to various categories of contract personnel.)

All Benefits Normally Applicable To Staff Personnel Except FEGLI.**SECTION IX****COVER ACTIVITY**

47. STATUS (Check)	<input checked="" type="checkbox"/> PROPOSED <input type="checkbox"/> ESTABLISHED	48. TYPE (Check)	PROPRIETARY <input type="checkbox"/> SUBSIDIZED	CULTURAL <input type="checkbox"/> EDUCATIONAL	COMMERCIAL <input type="checkbox"/> MILITARY	TOURIST <input checked="" type="checkbox"/> OTHER
-----------------------	--	---------------------	--	--	---	--

49. IF COVER PAYMENTS ARE CONTEMPLATED, THEY WILL BE EFFECTED ON REIMBURSABLE BASIS

BY

 YES NO COMPLETE PARTIAL**SECTION X****OFFSET OF INCOME**

50. OFFSET OF INCOME AND OTHER ENCLUMENTS DERIVED FROM COVER ACTIVITIES (If less than total, justify in separate memo attached hereto.)

 TOTAL PARTIAL NONE**SECTION XI****TERM**

51. DURATION	52. EFFECTIVE DATE	53. RENEWABLE
<input type="checkbox"/> DAYS <input type="checkbox"/> MONTHS <input checked="" type="checkbox"/> 2 <input type="checkbox"/> YEARS	54. 4 July 1965	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO

54. TERMINATION NOTICE (Number of days)

60 d + 8

55. FORFEITURE OF RETURN TRAVEL FOR RESIGNATION PRIOR TO CONTRACT TERMINATION

 YES NO**SECTION XII****FUNCTION**

56. PRIMARY FUNCTION (CI, PI, PP, others)

SECTION XIII**DUTIES**

57. GENERAL DESCRIPTION OF DUTIES TO BE PERFORMED

Intel Officer**SECTION XIV****QUALIFICATIONS**

58. EXPERIENCE

59. EDUCATION

(Check Highest Level Attained)

 GRADE SCHOOL HIGH SCHOOL GRADUATE TRADE SCHOOL GRADUATE BUSINESS SCHOOL GRADUATE COMMERCIAL SCHOOL GRADUATE COLLEGE (No degree) COLLEGE DEGREE POST GRADUATE MA PHD**10. LANGUAGE COMPETENCY**

(Check Appropriate Degree Competency)

 LANGUAGE SPEAK WRITE READ INDIVIDUAL'S FLUENT AVERAGE POOR FLUENT AVERAGE POOR FLUENT AVERAGE POOR COUNTRY OF ORIGIN**62. AREA KNOWLEDGE****SECTION XV****EMPLOYMENT PRIOR TO CIA**

63. GIVE INCLUSIVE DATES, POSITION TITLE OR TYPE WORK, SALARY AND REASON FOR LEAVING

SECTION XVI**ADDITIONAL INFORMATION**

64. ADDITIONAL OR UNUSUAL REQUIREMENTS, JUSTIFICATIONS OR EXPLANATIONS (See other side if necessary)

APPROVAL

DATE

TYPED NAME & SIGNATURE OF REQUESTING OPERATOR
IND OFFICIAL

DATE

TYPED NAME & SIGNATURE OF OFFICER APPROVING
ON

24 June 1965

Approved by [Signature]

Approved by [Signature]

SECRET

CONTRACT INFORMATION AND CHECK LIST				CASE OFFICER Gene Stevens	CLASSIFICATION TOP SECRET		
<small>INSTRUCTIONS: USE HB 20-33 and HB 20-1000-1 for guidance. Complete all items. Inserting "N/A" when items are not applicable or forward original and TRU copies for preparation.</small>				TELEPHONE EXTENSION 7157	DATE 2 June 1965		
SECTION I GENERAL							
1. NAME <input checked="" type="checkbox"/> PREVIOUS <input type="checkbox"/> TRUE Terence S. CRAHANAC		2A. PROJECT Madrid, Spain		3. ALLOTMENT NO. 6136-1347	4. SLOT NO.		
5. PREVIOUS CIA PSEUDONYM OR ALIASES 23-501		6. INDIVIDUAL HAS BEEN ENGAGED BY CIA OR ITS ALLIED ACTIVITIES IN SOME CAPACITY PRIOR TO THIS CONTRACT. <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO <small>(If yes, describe and include dates and salary.)</small> Staff Employee November 1949 - July 1965		7. SECURITY CLEARANCE (Type and date) Type A Granted 23 June 65			
8. INDIVIDUAL WILL WORK UNDER "CONTROLLED CONDITIONS" I.E., REGULAR OFFICE HOURS AWAY FROM SUBJECT'S HOME AND PERFORMED UNDER THE SUPERVISION OF A STAFF EMPLOYEE OR STAFF AGENT		9. MEDICAL CLEARANCE OBTAINED <input checked="" type="checkbox"/> INITIATED <input type="checkbox"/> NOT REQUESTED		10. CONTRACT IS TO BE WRITTEN IN STERILE FORM I.E., "U.S. GOVERNMENT" <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO			
11. CITIZENSHIP U.S.		12. IF NOT U.S. CITIZEN, INDIVIDUAL IS A PERMANENT RESIDENT ALIEN <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO		13. AGE 46			
14. DATE OF BIRTH (Month, day, year) Oct 9, 1918		15. CURRENT RESIDENCE (City and state or country) Largo, Florida		16. CURRENT RESIDENCE (City and state or country) Bethesda, Maryland			
17. MARITAL STATUS (Check as appropriate) <input type="checkbox"/> SINGLE <input checked="" type="checkbox"/> MARRIED <input type="checkbox"/> DIVORCED		18. ANNULLED <input type="checkbox"/> SEPARATED <input type="checkbox"/> DIVORCED		19. INDIVIDUAL IS RELATED TO A STAFF EMPLOYEE, STAFF AGENT OR AN INDIVIDUAL CURRENTLY WORKING FOR THE AGENCY IN SOME CAPACITY <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO			
20. NUMBER OF DEPENDENTS (Not including individual) RELATIONSHIP AND AGE: Wife - 45 Dau - 14 Dau - 12 Son - 11 Son - 21 mos.		21. VETERAN YES		22. IF RETIRED, INDICATE CATEGORY (Longevity, combat disability, service disability non-combat)			
23. BRANCH OF SERVICE -----		24. RANK OR GRADE -----		25. DRAFT ELIGIBLE <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO			
26. DRAFT DEFERMENT OBTAINED BY CIA <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO		SECTION III U.S. MILITARY STATUS					
27. BASIC SALARY \$19,880 per annum		28. POST DIFFERENTIAL none		29. COVER (Breakdown, if any) none		30. FEDERAL TAX WITHHOLDING COVER <input checked="" type="checkbox"/> CIA <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	
SECTION IV COMPENSATION							
31. QUARTERS yes		32. POST yes		33. OTHER Cost-of-living, Education, TLA		34. WITH DEPENDENTS <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	
35. TYPES <input checked="" type="checkbox"/> PCS <input type="checkbox"/> DOMESTIC OPERATIONAL <input type="checkbox"/> FOREIGN OPERATIONAL				36. TRANSPORTER VEHICLE TO BE USED FOR OPERATIONAL TRAVEL <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO			
37. HME TO BE SHIPPED <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO		38A. HME TO BE STORED <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO		38B. PERSONAL VEHICLE TO BE SHIPPED <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO		39. TRANSPORTER VEHICLE TO BE USED FOR OPERATIONAL TRAVEL <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	
40. IF WITH DEPENDENTS STATE RELATIONSHIP, CITIZENSHIP, AGE AND DATE OF BIRTH							
Wife - U. S. - 45 - April 1, 1920 Dau - U. S. - 14 - March 9, 1951 Dau - U. S. - 12 - November 27, 1952 Son - U.S. - 11 - March 22, 1954 Scn - U.S. - 21 mos. - September 1, 1963							
41. PAYMENT AND ACCOUNTABILITY WILL BE IN CONFORMANCE WITH <input checked="" type="checkbox"/> CIA REGULATIONS <input type="checkbox"/> COVERT POLICIES AND PROCEDURES							
SECTION VII OPERATIONAL EXPENSES							
42. PURCHASE OF INFORMATION		43. ENTERTAINMENT		44. OTHER			
yes, when authorized		yes, when authorized					

14 00000
6 January 1965

SECRET

MEMORANDUM TO: Benefits & Services Division
SUBJECT : Cause of Illness - E. Howard Hunt

1. Having been requested to give an opinion regarding the origins of the duodenal ulcer for which I was hospitalized October 12-15, 1964, I believe it to have resulted from three years of work frustration and professional dissatisfactions occasioned by (a) Agency failure to assign me to an appropriate post abroad following my participation in Project JMWAVE, and (b) the passive, non-challenging nature of the domestic work I was given.

2. I should point out that before joining Project JMWAVE in May, 1960, I requested in writing, and was granted by responsible senior officials, commitment to return me to an appropriate assignment abroad upon the termination of JMWAVE. Despite continuing verbal assurances in the ensuing three years I was not sent abroad. Instead, I was retained in domestic duties which I felt were inconsistent with the heavier responsibilities discharged by me during a long and active operational career abroad.

3. The T/O position I have been occupying - Chief of Covert Action for DO Division - is the equivalent of my 1953-54 assignment as Chief of Covert Action for SE Division. Organizationally I am where I was 11-12 years ago, but with a smaller staff and many fewer responsibilities.

4. To me this represented a professional dead-end, without hope of promotion or foreign assignment, a situation which preoccupied my mind and in due course found physical reflection in duodenal hemorrhage.

5. For the record, the foregoing information is not volunteered, but provided in response to an official request.

HOWARD HUNT

7 December 1964

MEMORANDUM FOR: Mr. E. Howard Hunt
SUBJECT : BEC Claim

1. Returned herewith is CA-1 (in duplicate) and CA-2 (in duplicate) which you completed in connection with your recent illness.

2. The Benefits and Services Division has requested the following information:

- a. Statement of medical history - Form 89 attached for this purpose.
- b. Full statement from physician, or physician, including nature of illness, treatment, prognosis and statement as to what he thinks may be the cause.
- c. Statement from you, describing in full, what you think the contributing cause may be.

Virginia C. Lynch
DO/Personnel

Attachments - A/S

SECRET

NOTIFICATION OF ESTABLISHMENT OF MILITARY COVER BACKSTOP		DATE
TO: (Check)	CHIEF, PERSONNEL OPERATIONS DIVISION	ESTABLISHED FOR
	CHIEF, OPERATING COMPONENT (For action)	
ATTN:		FILE NO.
REF:		ID CARD NO.
MILITARY COVER BACKSTOP ESTABLISHED		EMPLOYEE NO.

KEEP ON TOP OF FILE WHILE COVER IN EFFECT

Block Records:
(ORHMEMO 20-800-12)

a. Temporarily for _____ days, effective _____

b. Continuing, effective _____

Submit Form 642 to change limitation category.
(RHB 20-7)

Ascertain that Army W-2 being issued.
(RHB 20-668-1)

Submit Form 1322 for any change affecting this cover.
(R 240-250)

Submit Form 1323 for transferring cover responsibility.
(R 240-250)

Remarks:

Cover History

James H. Franklin

CHIEF, MILITARY COVER CCS

DISTRIBUTION: Copy 1-POD, Copy 2-Operating Component, Copy 3-OS D-OS, Copy 4-OL TEL SVC, Copy 5-PSD 15, Copy 6-File.

14-00000

MEMORANDUM FOR ATTACHMENT TO CI-2 FILED BY E. HOWARD HUNT

My first knowledge of Mr. Hunt's illness was on the morning of 12 October when his office informed me that he became ill and was taken to the hospital with a "bleeding ulcer". He has been on sick leave since that date.

**Thos. P. Schreyer
Executive Officer**

D. M. WILCOX, M.D.
DIRECTOR

DR. JIM WILCOX MD, DMD
DEPARTMENT OF RADIOLOGY
DR. GROOVER, CALIFORNIA FINE IMAGING

PATIENT: 1234567890
PATIENT NAME: Spina
EXAMINATION DATE:

AGE: 30 SEX: MALE OR FEMALE
DATE: 2/20/00 EXAMINER: SPINA

Upper Cervical vertebral body compression fracture. The upper cervical spine appears to have been involved with some associated edema. There is no evidence of bony or ligamentous fracture. The cervical spine is otherwise normal.

John S. Wilcox, M.D.

LAWRENCE

PRINT COPY